



# Public-Private-Partnership Policy

*Partners in Growth*

*Tamil Nadu Infrastructure Development Board*





*“ We have set ourselves an ambitious target of becoming a \$ 1 Trillion Economy by 2030.*

*It is our resolve that the public and private sector will partner with each other to achieve the desired goal.”*

**Thiru. M.K.Stalin**  
**Hon’ble Chief Minister**



## FOREWORD



**Thiru. Thangam Thennarasu,  
Minister for Finance  
and Human Resources  
Management.**

The Government of Tamil Nadu, as envisioned by our **Hon'ble Chief Minister Thiru M.K.Stalin**, is confidently marching towards the aim of \$1 Trillion economy by 2030. It is investing huge resources on infrastructure development in all sectors of economy seeking economic growth with regional balance, socio-economic development and empowerment of the poor.

On one hand, the State is aiming at substantial investment from private sector in Manufacturing and Service Sectors and, on the other, envisaging investment from private sector in infrastructure. The Government does not see this only as a resource mobilization exercise, but an opportunity to create and sustain robust business models that would create world class infrastructure, boost the economy, and create jobs. The Government is extending a warm welcome to the infrastructure developers to partner with and be part of the growth story of the State.

As a major step towards this end, it gives us immense pleasure in releasing this Public-Private-Partnership Policy. It puts in place a broad transparent framework for both, public agencies, and private developers, to interact and implement projects together. We hope it encourages public agencies to explore more and more projects in PPP mode and entuses private sector to come forward and grab the opportunities.

**Let's hope for the best!**

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# ABBREVIATIONS

BLT	Build Lease and Transfer
BOO	Build Own and Operate
BOT	Build Operate and Transfer
BOOT	Build Own Operate and Transfer
BTO	Build Transfer and Operate
CEO	Chief Executive Officer
DBFOT	Design Build Finance Operate Transfer
DFR	Detailed Feasibility Report
GoTN	Government of Tamil Nadu
IA	Internal Auditor
IE	Independent Engineer
MCA	Model Concession Agreements
PPF	Project Preparation Fund
PPP	Public Private Partnerships
PSU	Public Sector Undertaking
REoI	Request for Expression of Interest
RFQ	Request for Qualification
RFP	Request for Proposal
ROO	Rehabilitate Own and Operate
ROT	Rehabilitate Operate and Transfer
RTP	Request for Technical Proposal
SPV	Special Purpose Vehicle
TNIDB	Tamil Nadu Infrastructure Development Board
TNTIT	Tamil Nadu Transparency in Tenders

# 1 INTRODUCTION

## 1.1 AIMING AT \$ 1 TRILLION

1. Tamil Nadu is one of the largest economies in the country. With more than 50% of its population staying in urban areas, it is also one of the **most urbanized State** of India. The State has a vibrant economy and salient infrastructure.
2. The Government of Tamil Nadu aspires to make Tamil Nadu a **\$1 Trillion economy by 2030**. Towards, this end, it is formalizing an action plan to give impetus to all sectors, including infrastructure. To achieve this ambitious goal of growth, the State must invest heavily in critical infrastructure in a planned and sustained manner.
3. Infrastructure development requires long term investments. The Government of Tamil Nadu has taken stellar efforts to reduce Revenue Deficit and create space and more capital expenditure. The Government is investing more than Rs. 50,000 crore per annum for capital asset creation in the State. At present, **projects worth more than Rs. 1,50,000 crore are at various stages** of procurement and implementation.



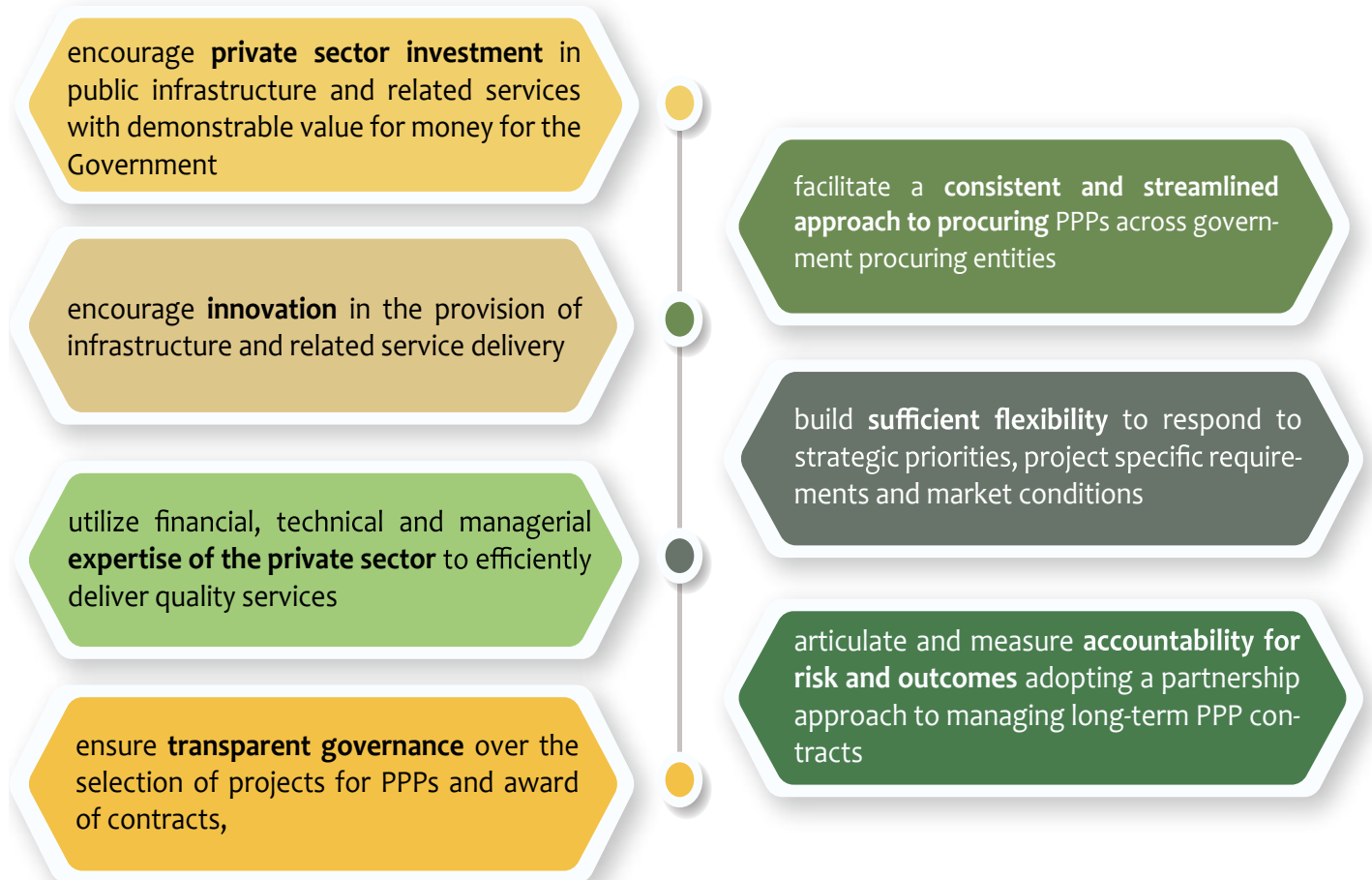


4. The Government recognizes that the investment needs to be much more if the goal of \$1 Trillion Economy is to be reached. Therefore, while creating more fiscal space for investment from its own Budget, the Government is also keen on inviting private investment in infrastructure development.
5. In the past decade, private investment has been meagre in infrastructure sector of the State. The Government intends to address this issue by creating a robust investor friendly framework that would **enthuse private sector players to partner with the Government** through sustainable long-term contracts. This policy is a confident step towards that goal.
6. This policy aims at creating a robust partnership environment for public-private projects where **risks would be shared fairly**, concerns of private investors would be accommodated, and capacity of Government agencies would be enhanced in a planned manner. The Government hopes that this policy framework would inaugurate a new era of infrastructure development in the State.



## 1.2 OBJECTIVES OF THE POLICY

The specific objectives of the PPP Policy Framework are,

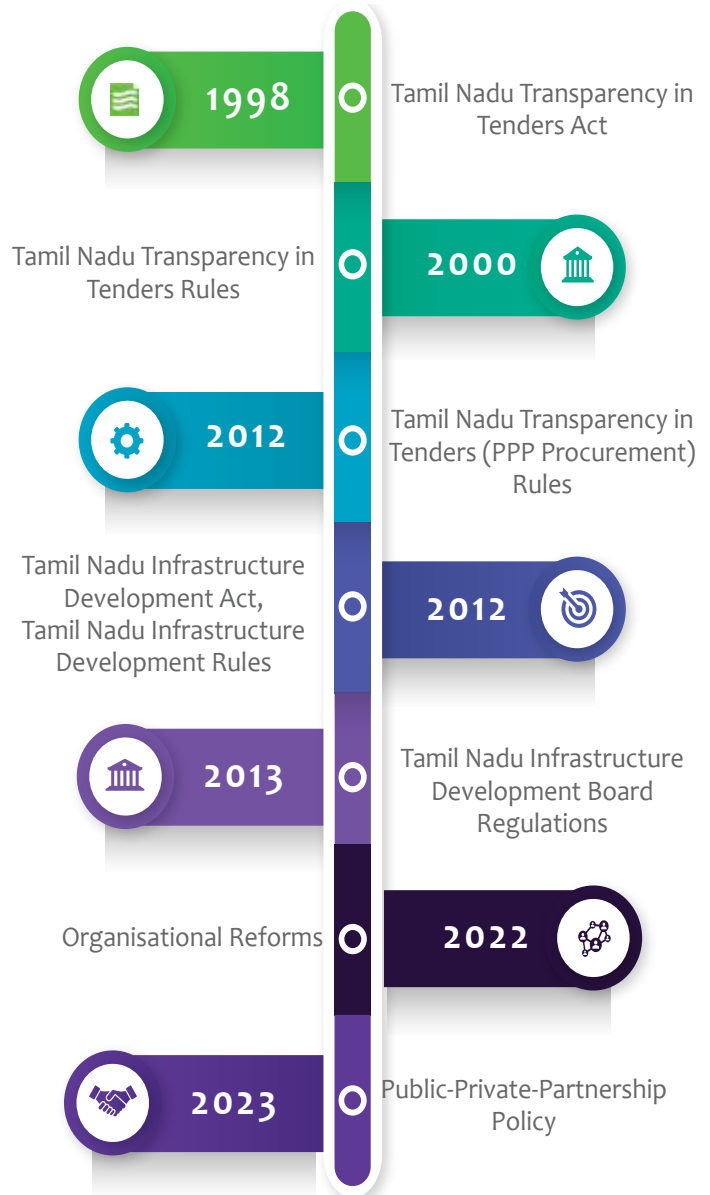


In the **first phase**, the Government intends to identify and implement, under PPP mode, **100 iconic projects at a target cost of Rs.1,00,000 Crores**

# 2 INSTITUTIONAL MECHANISM

## 2.1 NODAL AGENCY

1. Government of Tamil Nadu has established a strong and well-defined institutional structure through the Tamil Nadu Infrastructure Development Board (TNIDB) at the State Level to strengthen the PPP framework.
2. TNIDB was set up under the **Tamil Nadu Infrastructure Development Act (TNID Act) 2012**. The Act along with the Rules and Regulations as mentioned provide the Board with the necessary administrative authority.
3. The Board is **chaired by Hon'ble Chief Minister** and acts as the **nodal agency for development of PPP projects** in the state. TNIDB is responsible for all matters concerning PPPs including project development, policies, preparation of standard documents, model concession agreements (MCAs) and capacity building.

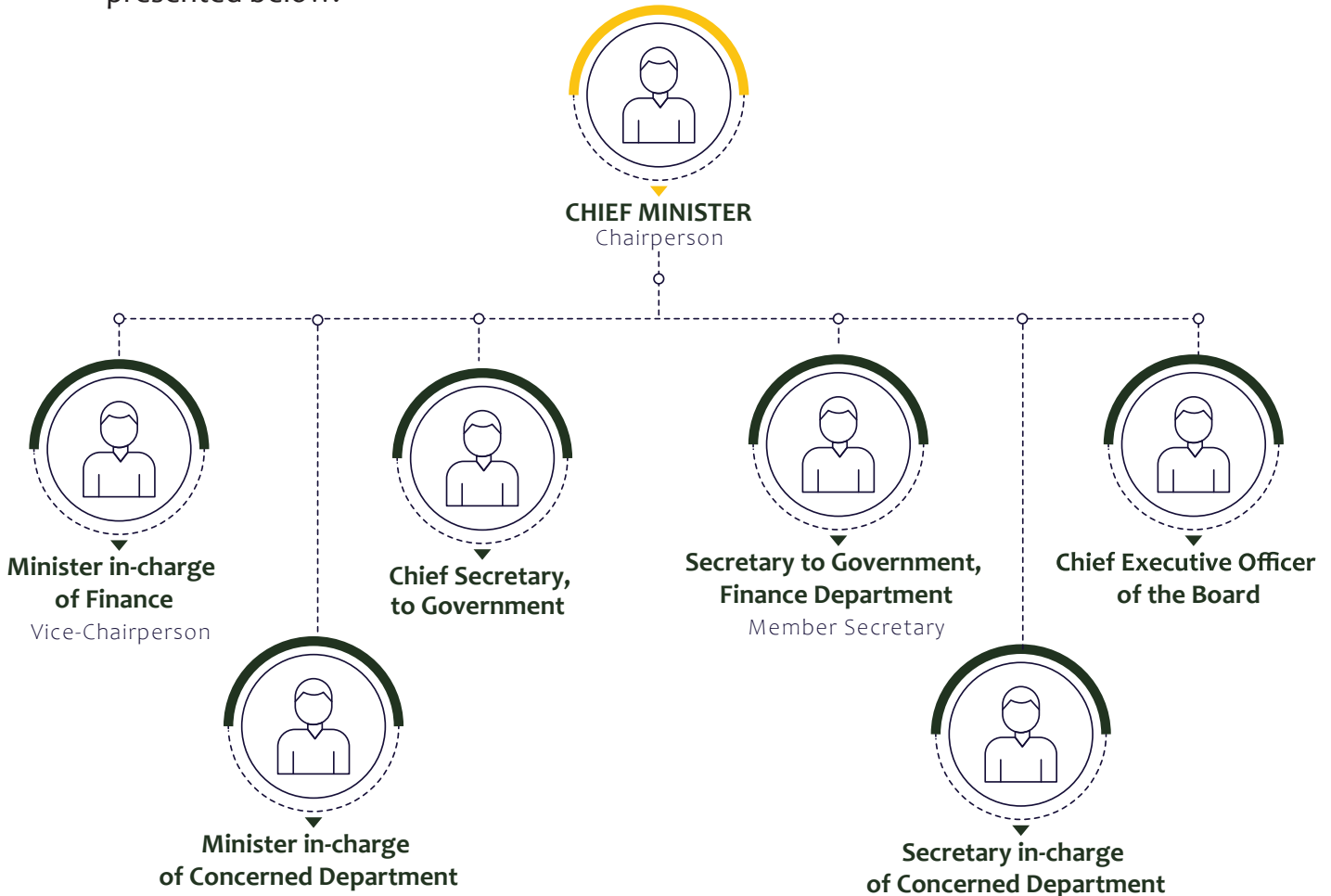




4. TNIDB in addition to governance and due diligence functions, will also develop capacities to successfully discharge changing roles and responsibilities that PPP projects require.
5. The Government has brought in several **modifications to the existing legal framework** and procedures to facilitate both, public agencies and private developers. TNIDB has taken several policy and institutional initiatives to promote PPPs, streamline project appraisal and expedite approvals. This Policy would present the broad framework for implementing projects across diverse sectors in a consistent and effective manner. It will also serve as a guiding document for the sponsoring entities in the development and structuring of the projects.

## 2.2 STRUCTURE OF TNIDB

1. TNIDB is chaired by the Hon'ble Chief Minister and the structure of the Board is presented below:



2. Critical role has been assigned to the **Executive Committee** of the Board with regards to structuring of the projects.



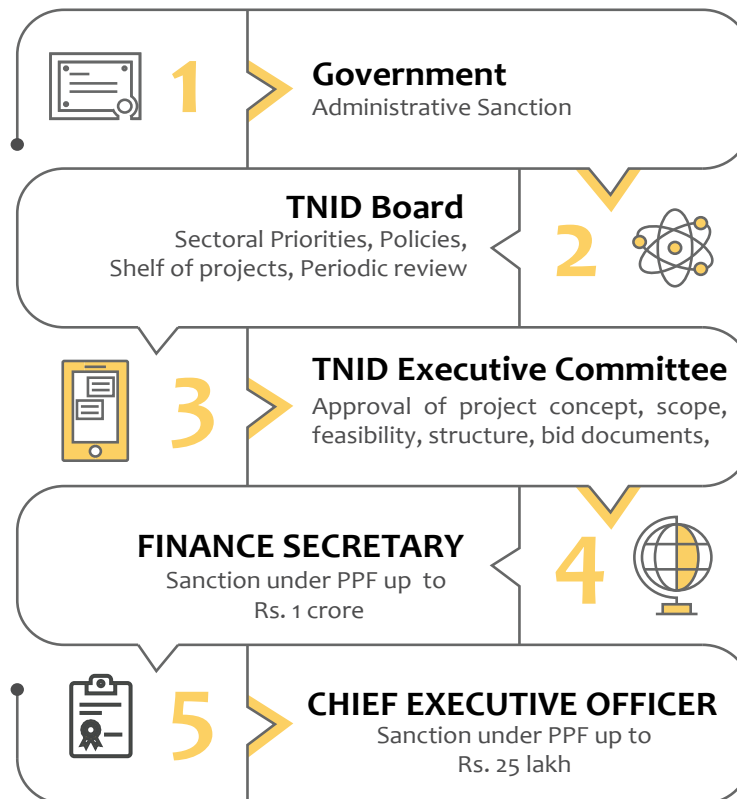
The Executive Committee of TNIDB consists of the following members:

- i. **Chief Secretary to Government**, who shall be the Chairperson, ex-officio.
- ii. **Secretary to Government, Finance Department**, ex-officio.
- iii. **Secretary in-charge of Concerned Department**,
- iv. **Chief Executive Officer of the Board**, who shall be the Member-Secretary, ex-officio.
- v. **Experts** in the fields of finance, economics, commerce, infrastructure, and like not exceeding two, as may be nominated by the Chairperson of the Executive Committee.

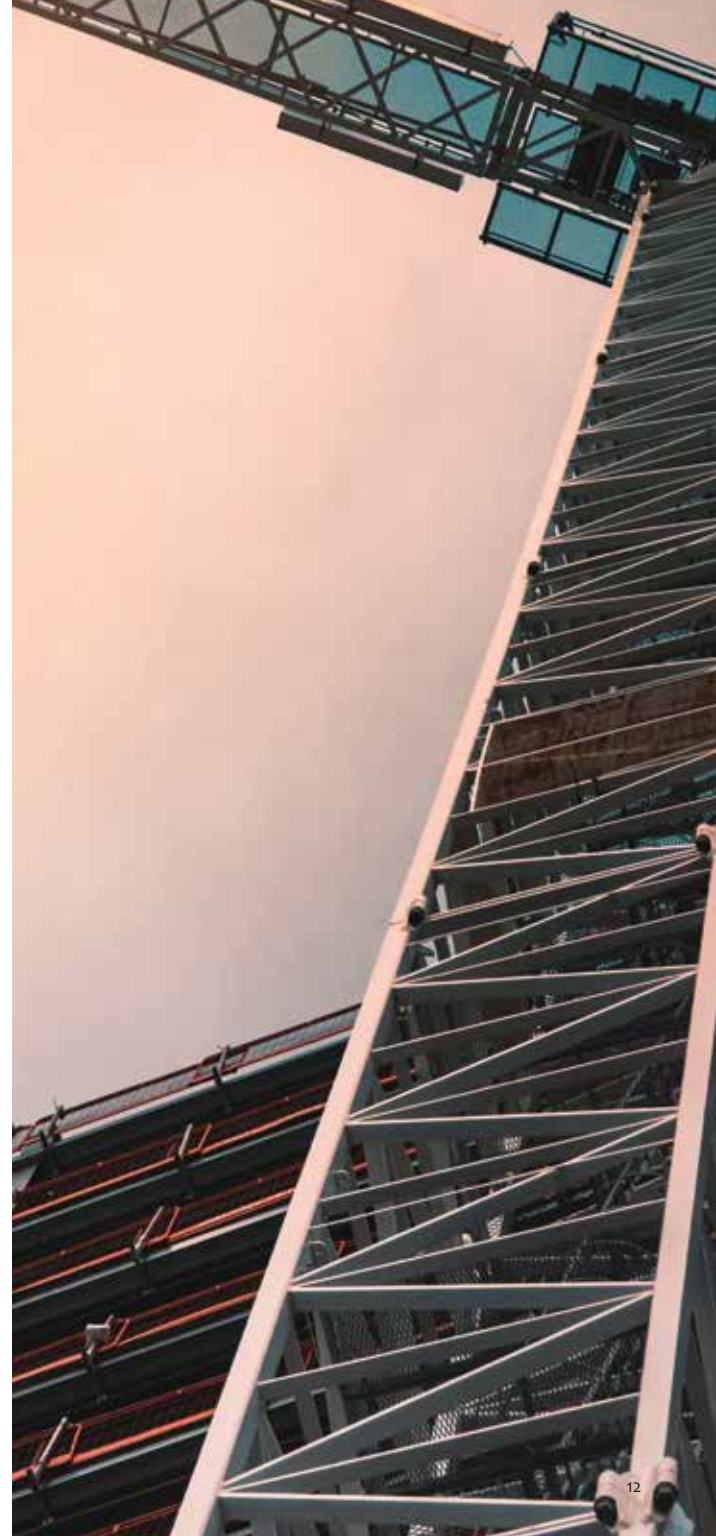


## 2.3 RESPONSIBILITY AND DELEGATION OF POWER

1. The Administrative Sanction for projects is issued through a Government Order. The Board guides the overall policy of infrastructure development in the State, whereas, with regards to functions such as facilitating and approving structure of individual projects, sanctioning schemes through the **Project Preparation Fund (PPF)** for preparation activities and the day-to-day administration matters adequate powers have been delegated to the **Executive Committee, the Finance Secretary and the CEO, TNIDB.**



2. The CEO is in-charge of the day-to-day affairs of TNIDB. The CEO is assisted by a core in-house team and supported by external consultants / experts in various fields.
3. TNIDB will also support **creation of PPP Cells** at various departments/agencies with appropriate resources and skills to nurture and encourage PPP projects in the respective departments.
4. TNIDB would make available learning and referencing resources on it's **web portal** from time to time. The process submission and scrutiny of project related documents by procuring entities would be made online to ensure effective and timely decision making.





# 3 APPLICATION AND SCOPE



## 3.1 APPLICATION

1. **Public Private Partnership (PPP)** means an arrangement between a public agency and a private sector participant for the provision of infrastructure through investment made or through design, development, construction, maintenance or operation undertaken by the private sector participant, where risks are allocated between them such that the private sector participant takes on the risk beyond the stage of design and construction and the payment for the services are performance linked, in the form of user charges, annuities or unitary payments.
2. The policy is applicable to all **PPP projects** undertaken in Tamil Nadu by **all procuring entities** of the Government of Tamil Nadu.

## 3.2 SCOPE

TNIDB has identified **7 priority Sectors and 23 sub-sectors** for taking up projects under this policy. Some projects may have overlap between different sectors or sub-sectors.



## AGRICULTURE AND PRIMARY SECTORS

1. Agriculture Infrastructure including Marketing and Post-harvest infrastructure
2. Fisheries
3. Irrigation including Dams, Irrigation Structures, Canals
4. Development of Minor Minerals

## TRANSPORT SECTOR

5. Roads, Bridges, including Rail over and under Bridges and By-passes
6. Urban Transportation System, Bus terminals, multi-level parking facilities
7. Inland Waterways other than National Waterways
8. Land Reclamation Projects, Ports (other than major ports) and Harbours thereof

## SOCIAL SECTOR

9. Health Infrastructure
10. Education related Infrastructure



## INDUSTRIAL SECTOR

11. Industrial Estates including Industrial Parks and Special Economic Zones,
12. Industrial Water supply systems, Industrial Sewerage treatment systems
13. Information and Communication Technology related Projects
14. Industrial Warehousing, Plug n Play facilities, Testing centres, Common Facilities
15. Industry specific Centres of Excellence where MSMEs can access various common services, advance software etc.



## ENERGY SECTOR

16. Power Generation, Transmission and Distribution Systems
17. Gas and Gas works

## URBAN AMENITIES SECTOR

18. Drinking Water supply systems, Desalination Plants



19. Housing including Slum Development and Development of Satellite towns
20. Solid Waste Management, sanitation
21. Wastewater, Sewerage treatment systems



## RECREATION SECTOR

22. Sports & Recreation Infrastructure
23. Tourism and Hospitality Project

The list of sectors/sub-sectors is not exhaustive and **additional sectors will be considered**, if required.

The projects within the policy purview may include, Toll Roads, Tourism Resorts, 24\*7 Water Supply, Port Development, Bus Depot/Terminal Development, Public Toilets, Electric Bus Provision and Operation, Street Lighting, Multi-Level Car Parking, Utility Service Metering, Food Processing, Ropeways, Commercial Complex, Agriculture and Vegetable Markets, Affordable Housing, etc. (**list for illustration purpose**).



# 4 MODELS OF PPP

Public Private Partnership projects are implemented through various formats based on

1. the nature of the service or output required
2. the sector and
3. potential revenue sources in the project.

**The PPP models are outlined below:**

## CONSTRUCTION

1. Build Operate and Transfer (BOT)
2. Build-Own-and-Operate (BOO)
3. Build-Own-Operate-Transfer(BOOT)
4. Build- Transfer-and-Operate (BTO)
5. Design-Build-Finance-Operate- Transfer (DBFOT)

## OPERATION AND MAINTENANCE

1. Management Agreement
2. Lease Management Agreement
3. Build-Lease-and-Transfer (BLT)
4. Rehabilitate-Operate-and-Transfer (ROT)
5. Rehabilitate-Own-and-Operate (ROO)



The Government **would also consider other models** of partnership on case-to-case basis depending on the nature of the project.

The responsibility of design, construction, financing, operations, management, land provision, statutory compliances, monitoring, etc would be held either by the private investor or by the public entity or would be held jointly by both depending on the model adopted for the project and the nature of the project.

## 5 RISK ALLOCATION

The risks involved in the project would be allocated taking into account the nature of the project, the model adopted for the project and an assessment as to **which party is best able to manage the particular risk** in the given project. Such risk allocation would be brought out as clearly as possible in the bid documents and in the concession agreement to avoid interpretation issues later. The effort would be to **allow optimum flexibility** to run the project as a viable commercial business venture in public interest.





The key risks identified may include,

- Event of default
- Additional site requirement
- Operations and Maintenance
- External linkages
- Land acquisition
- Design
- Traffic/Footfall
- Terminal value
- Land handover
- Construction
- Payment
- Change in law
- Land planning
- Technology & Capex Recovery
- Force majeure
- Approvals
- Inflation
- Rate of Return
- Financial risks –Implementation
- Financial Closure
- Cost Overrun
- Financial risks –Operation
- Interest Rate and Windfall gains

The list is not exhaustive and **may vary** as per relevance.





## 6 PROJECT IDENTIFICATION

1. Tamil Nadu Infrastructure Development Board and the Secretariat Departments of the Government will have the prime responsibility to identify potential PPP projects in the State. TNIDB would create a project **pipeline of 100 projects in the first phase** for implementation.
2. **Potential projects can be identified by any procuring entity**, including Local Bodies, Heads of Departments, State PSUs, Cooperatives, etc. and directly approach TNIDB with the project concept note for assistance and approval.
3. **Any private firm or individual may also approach TNIDB** with concept note of a potential PPP project. If the concept is approved, TNIDB, would request the relevant implementing agency to prepare a project based on such concept and the usual bidding process would follow.

4. This process would not provide any priority in procurement to the firm or individual who has suggested such project and the bidding would be transparent. However, this would open **avenues for private entities to provide suggestions** on potential projects and create business opportunities which otherwise might not have been explored.
5. There is **no restriction on project size**. Small projects or big, partnership would be encouraged at all levels. The projects may be as small as a community hall in an Urban Local Body and as large as a power project worth thousands of crore rupees. For projects with costs smaller than Rs. 10 crore, TNIDB approval is not required.
6. The project so identified would have a potential revenue stream that can be leveraged to recover costs incurred at initial stage for implementing the project.
7. **The project concept note** would include brief description of the project, components of the project, site details, approximate cost of the project, estimated time of implementation, potential revenue source, possible roles, and responsibilities of private and public partners. The numbers mentioned in the concept note can be approximate, based on some valid assumptions.





## 7 PROJECT PREPARATION

1. The project implementing agency would prepare a **Detailed Feasibility Report (DFR)** before seeking approval of TNIDB. The **DFR is the most critical document** in the decisions about PPP project, and its preparation should be done with utmost seriousness. It is the key document based on which decisions on project implementation will be taken. A time spent on its preparation is a time well spent.
2. The DFR would include feasibility of the project in all aspects including technical, legal, financial, social, and environmental aspects. It would provide market assessment, cost benefit analysis of the project, role and risk allocation, Value-For-Money analysis, model of PPP, Rate of Return, and implementation schedule.



3. The agency can prepare the DFR in-house or can **hire a consultant** from open market through competitive bidding or can hire consultants from the list of **consultants empaneled** by TNIDB for the given sector. It can also follow limited tender procedure if the value of procurement is within the limit prescribed in TNTIT Rules i.e., Rs. 25 lakh. The agency can fund this exercise through its own funds or can seek funding directly from TNIDB through online application submitting the project concept note.
4. On request of procuring entities, **TNIDB can hire consultants on their behalf.**
5. **The selection criteria for the projects** would include good Value-For-Money, sustainability over long term through the partnership, and substantial gains in managerial efficiency.
6. The procuring entity, with the assistance of TNIDB, may undertake a **wider consultation** with experts in the field, infrastructure developers, potential bidders, other State Governments where similar projects have been implemented, etc.
7. The projects would ordinarily have a range of **12% to 20% Internal Rate of Return** depending on the risk-reward allocation.
8. The project may ordinarily have a **concession period between 10 to 30 years.** In exceptional cases it may go **beyond 30 years** where clear gains in terms of Value for Money can be demonstrated, by taking into consideration the life period of the project and its assets.
9. All powers of approval of project structuring have been fully delegated to the Executive Committee of TNIDB. With a comprehensive DFR, TNIDB would process the project approval within a **turn-around time of maximum thirty days.**

# 8 PROCUREMENT

1. All PPP related procurement would be done through a **transparent e-procurement process**.
2. The procurement process may ordinarily involve **four stages**, viz., Request for Expression of Interest (REoI), Request for Qualification (RFQ), Request for Technical Proposal (RTP), and Request for Proposal RFP). However, if the procuring entity has sufficient reasons to believe that such multiple stages are not warranted for a project, it **may combine the stages into one or two**. The agencies would aim to ordinarily completing the process within a period of **six months**.
3. The authority and functions with regards to procurement will be as follows,

Authority	Function
Tender Inviting Authority	Preparation of bid documents
	Inviting Tenders
Tender Scrutiny and Evaluation Committee	Scrutiny of bid documents
	Pre-bid meetings
	Tender opening
	Scrutiny and Evaluation of bids
	Evaluation Report
TNID Executive Committee	Approval of bid document
Tender Accepting Authority	Accepting/rejecting the bids

4. On approval of TNIDB for bid documents, the implementing agency will proceed with inviting tenders, pre bid meetings, Tender opening, Scrutiny and Evaluation of bids accepting/ rejecting the bid, **provided there is no deviation from the approved tender documents**.

5. The Government encourages **capacity building** within the government agencies for preparation of bid documents. However, the agencies can hire consultants for this purpose either from their own funds or can approach TNIDB for sanction of funds. It can hire consultants either through open tender or from the list of consultants empaneled by TNIDB. It can also follow limited tender procedure if the value of procurement is within the limit prescribed in TNTIT Rules i.e., Rs. 25 lakh.
6. On request from procuring entities, **TNIDB can hire consultants on their behalf.**
7. The procuring entity would **consult the potential bidders at various stages** of project preparation and procurement in an open and transparent manner. Pre-bidding meetings are a crucial part of the procurement process. The suggestions of the potential bidders would be addressed in a proactive manner with due consideration to project feasibility and fairness in treatment.
8. TNIDB would prepare **Model Bid Documents in editable format** for various sectors and types of projects. It would be a **permanent repository** which would be updated from time to time.
9. The bids would have a **single criterion of evaluation** which may be one parameter or a combination of various parameters including Viability Gap Funding or upfront premium, revenue share, tariff, Net Present Value, concession period, equity stake, lease rent, annuity payment, etc.
10. **The Concession Agreement** which defines the relationship between the private and public project partners over the entire concession period is a very crucial document. The documents would be made as clear and specific as possible to avoid any potential conflict in future.
11. Projects under sectors which are governed by a Regulatory authority, may require the necessary in-principle approvals from such Regulator.

## 9 STATE SUPPORT

1. Based on the financial feasibility of the project and rate of return the project would, excluding annuity payments, receive State support **up to 20% of the project cost**. Annuity payments, if any, would be in addition to the given State support. Thus, to achieve the first phase target of Rs. 1 lakh crore **the Government is committing to a State support up to Rs. 20,000 crore**.
2. Such State support would include, subsidy, capital grant, equity participation, net present value of operational grants, loans to a project specific Special Purpose Vehicle, net present value of special incentives. The Government may consider any other form of financial support depending on project specific requirement.
3. The **special incentives** may include exemption, deferment, refund, or loan in lieu of payment of cesses, royalties, seigniorage or other statutory levies, rights to trade development rights. Government may consider any other form of incentive depending on project specific requirement.
4. Ordinarily, the **Debt-Equity ratio would be 70:30** for the projects, excluding State support.
5. Ordinarily, the **public partner would bear the responsibility of ensuring unencumbered land site**. The land ownership for Government/Procurement entity would not be transferred to private partner. However, the land would be given to the project on **lease, license or fees** to be collected upfront or periodically as may be decided for each project.



# 10 PROJECT MONITORING

## INSTITUTIONAL MECHANISM

1. The Procuring Entity would make adequate institutional arrangement for monitoring the project. The project would be managed by a **designated Project Manager**. The procuring Entity may also ensure appointment of **Independent Engineer (IE) and Independent Auditor (IA)**, if found necessary.
2. The Project Manager would prepare and implement the **project management plan**. He would also ensure timely fulfilment of conditions precedent, **timely payment of State support and annuities**.
3. The Key Performance Indicators, trigger events, payment mechanism, documentation requirement, communication plan, reporting mechanism, approval or authentication mechanism, and other aspects that have bearing on the relationship between the partners would be clearly defined and monitored.
4. The concession agreement and the Project Management Plan would clearly define the events that would result in termination of concession agreement, handover mechanism and exit clauses.





# 11 CONCLUSION

The Government is confident of reaching the \$1 Trillion goal with this major push to infrastructure. The Government is looking forward to private participation in infrastructure growth of the State. This policy document is an assurance to private sector participants that the partnership will be guided by a robust institutional system within a fair and transparent framework. It will also serve as a **guiding document** to the various Procurement Entities, to explore and identify potential business models in development and operations of their infrastructure that would improve the quality-of-service delivery and mobilize private sector resources in a sustainable way.



# ANNEXURES

1. THE LEGAL FRAMEWORK
2. SIMPLIFIED PROCEDURE FOR PPP  
PROCUREMENT
3. DEFINITIONS

## ANNEXURE 1 -THE LEGAL FRAMEWORK

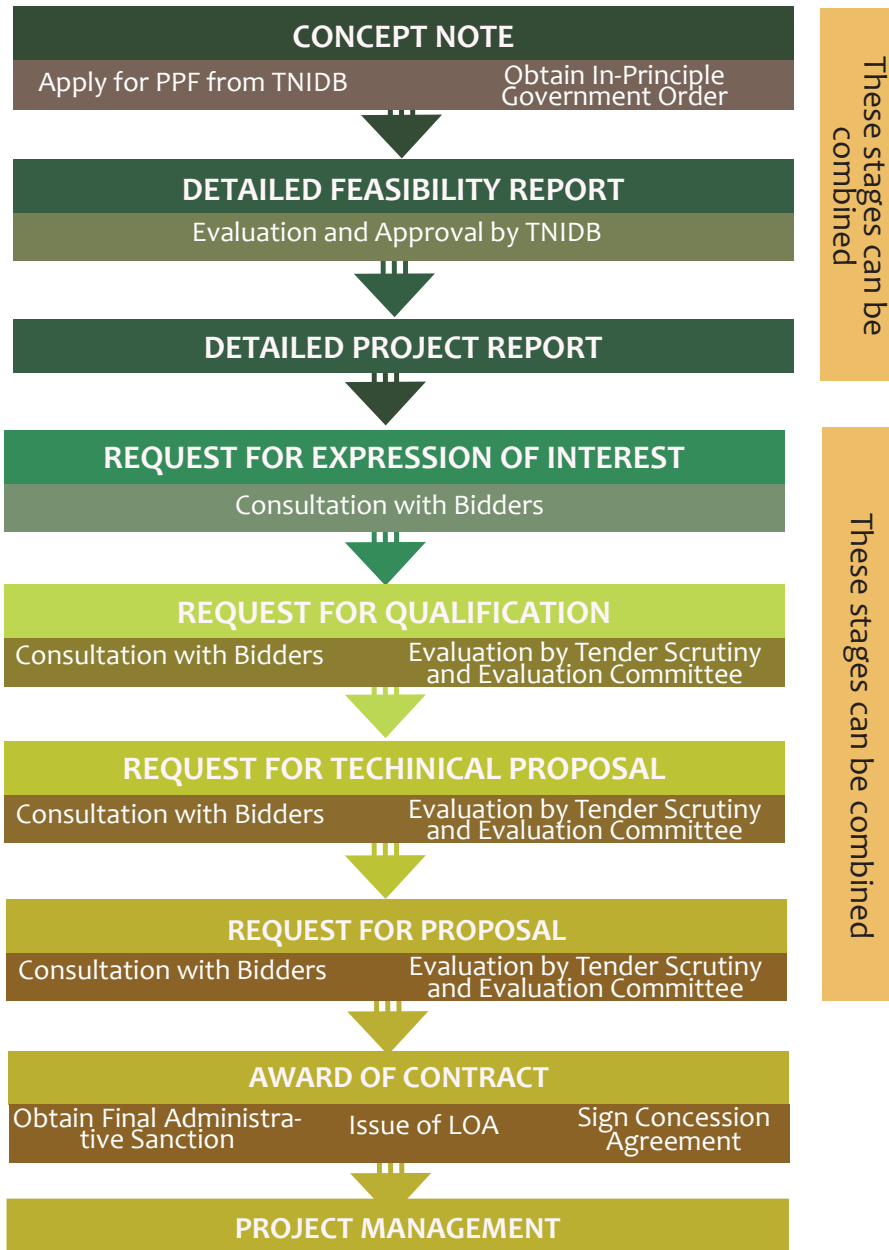
S No	Topic	TNTIT(PPP) Rules, 2012	TNID Act, 2012	TNID Rules, 2012	TNIDB Regulations, 2013	Delegation of Powers
1	Public Private Partnership (PPP)	1(3), 2(u)(v), 3, 5, 9, 44	1(3), Schedule - I, II		11, 14	6, 7
2	Project Preparatory Fund (PPF)	-	25, Schedule - I	15, 16, 17, 18, Appendix - III	-	16
3	Project Scope	43	17	12(2)(4)	14(1)(2), 15(5)(6)	7
4	Project Structure	-	Schedule - I, II	12(2)(4)	14, 15(5)(6)	7
5	Project Concept Note	-	Schedule - I	-	7, 11, Appendix - I	-
6	Detailed Feasibility Report (DFR)	2(m), 37(3), 42	2(f), 14(4), Schedule- I, II	15(2)	7(2)(4), 8, 9, 10(1), 11, Appendix - II	-
7	Detailed Project Report (DPR)	-	2(e), 17	15(2)	12, 14(2)	7

S No	Topic	TNTIT(PPP) Rules, 2012	TNID Act, 2012	TNID Rules, 2012	TNIDB Regulations, 2013	Delegation of Powers
8	Request for Expression of Interest (REOI)	3(3), 6, 28	-	-	15(5)	-
9	Request for Qualification (RFQ)	29, 30, 31, 32, 33, 34, 35, 36, 57	-	-	-	8
10	Request for Technical Proposal (RTP)	3(3), 5, 17, 37, 38, 39, 40, 41	-	-	-	8
11	Request for Proposal (RFP)	3, 4, 5, 17, 41, 42, 43, 44, 49, 50, 52, 53, 54, 55, 56, 57, 58, 59	-	12(6)	15	8
12	Draft Concession Agreement (DCA)	2(f), 44, 45, 46, 47, 48, 59, 60, 61, Schedule - I	2(d), 17(c), 18(4), Schedule - II	Appendix - II, IV	15, 20, 21	8, 9, 11, 15

S No	Topic	TNTIT(PPP) Rules, 2012	TNID Act, 2012	TNID Rules, 2012	TNIDB Regulations, 2013	Delegation of Powers
13	Project Management Facility (PMF)	Schedule – III(4)	19, 20, 21	-	16, 17, 18, 19, 20, 21, Appendix – V	10, 11, 15
14	Independent Auditor (IA)	45, 60, Schedule - II	-	-	-	15
15	Independent Engineer (IE)	Rule 46, 60, Schedule - III	-	-	-	15
16	State Support	-	2(v), 17(a), 22, 23, 24	9, 10, 11, 12, 13, 14, 18, Appendix – II, IV	-	12
17	TNIDB Structure and Functioning	-	1, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 28, 29, 30, 31, 32, 33, 34	1, 3, 4, 5	4, 5	-
18	Project Identification, Prioritisation and Implementation	-	14, 15, 16	6, 8	10, 11, 12	1, 2, 3, 5, 14, 15

S No	Topic	TNTIT(PPP) Rules, 2012	TNID Act, 2012	TNID Rules, 2012	TNIDB Regulations, 2013	Delegation of Powers
19	Procurement	3, 4, 7, 8, 13, 14, 15, 16, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 51	18	7	6, 15	8, 13
20	Transparency, Communication, and Information	9, 10, 11, 12	24, 25, 26, 27, 35, 36	19, 20, Appendix - I	13, Appendix- III, IV	4, 6, 12, 17
21	Evaluation	7, 8, 20, 22, 24, 25, 26, 32, 35, 37, 39, 49, 55, 56	17(b)	-	-	2
22	Consultants Selection	8, 15(f)	7(6), 19(2), 25(4)	15(2)	3(j), 6, 7(4)	-
23	Scope, Applicability and Definitions	1, 2	1, 2	1, 2	1, 2, 3	-

# ANNEXURE 2 -SIMPLIFIED PROCEDURE FOR PPP PROCUREMENT





## **ANNEXURE 3 -DEFINITIONS**

**Achievement and Exception Report** means the report submitted to the Government or the Board or both by the procuring entity on the status of project implementation, including in terms of time, cost, safety and other factors in the construction phase and the status of achievement of key performance indicators and other contractual, social, economic and financial indicators in the operational phase, in such formats and with such frequency as the Board by general or special instructions direct.

**Administrative department** means the department of the Secretariat which is administratively concerned with a Project as per the Tamil Nadu Government Business Rules, 1978, and more than one department may also be administratively concerned with a Project.

**Annuity** means annual or periodic contract consideration payable by the sponsoring agency to the private sector partner for delivery of services as per the terms and conditions of the Concession Agreement and where the user charges, if any, are levied, collected and retained by the public agency.

**Applicant** means an entity which has submitted or is likely to submit a response to the Request for Expression of Interest (REOI) or Request for Qualification (RFQ), as the case may be.

**Application** means the submission made in response to a Request for Qualification (RFQ).

**Appointed Date** means the date on which the Concession Agreement comes into force and effect in accordance with the terms outlined therein.

**Board** means the Tamil Nadu Infrastructure Development Board.

**Build-Lease-and-Transfer (BLT) Model** means a contractual arrangement whereby the concessionaire undertakes to finance and construct the Project and on its completion hands it over to the Government. The Government then gives the facility to the same operator on a lease arrangement for a fixed period, after which ownership of the facility is automatically transferred to the Government.



**Build Operate and Transfer (BOT) Model** means a contractual arrangement whereby the concessionaire undertakes the construction, including financing, of a given infrastructure facility, and the operation and maintenance thereof. The concessionaire operates the facility over a fixed term during which they are allowed to charge the users appropriate tolls, fees; rentals and charges as incorporated in the contract to enable the recovery of investment in the Project. The concessionaire transfers the facility to the Government at the end of the fixed term that shall be specified in the Concession agreement.

**Build-Own-and-Operate (BOO) Model** means a contractual arrangement whereby the concessionaire is authorized to finance, construct, own, operate and maintain an infrastructure or development facility from which the concessionaire is allowed to recover the total investment by collecting user levies from facility users. The ownership of the land will be vested with the Government. Under this mode, the concessionaire owns the assets of the facility and may choose to assign its operation and maintenance to a facility operator. The transfer of the facility to the Government is not envisaged in this structure; however, the Government may terminate its obligations after the specified time period.

**Build-Own-Operate-Transfer (BOOT) Model** means a contractual arrangement whereby the concessionaire is authorised to finance, construct, maintain and operate a Project and whereby such Project is to vest in the concessionaire for a specified period. During the operation period, the concessionaire will be permitted to charge user levies specified in the Concession agreement, to recover the investment made in the Project. The concessionaire is liable to transfer the Project to the Government after the expiry of the specified period of operation.

**Build- Transfer-and-Operate (BTO) Model** means a contractual arrangement whereby the Government contracts out an infrastructure facility to the concessionaire to construct the facility on a turn-key basis, assuming cost overruns, delays and specified performance risks. Once the facility is commissioned satisfactorily, the concessionaire is given the right to operate the facility and collect user levies specified in the Concession agreement. The title of the facilities always vests with the Government in this arrangement.

**CEO** means Chief Executive Officer of the Board.

**Concessionaire** means the private sector participant which has entered into a Public-Private Partnership.

**Concession Agreement** means an agreement entered into between a Procuring Entity and a private sector participant for and in respect of a Public-Private Partnership.

**Conditions Precedent** means the obligations which the Procuring Entity or the Concessionaire or both may be required to fulfil prior to the financial closure of the Public Private Partnership (PPP) Project, unless waived in writing by the relevant party in accordance with the terms of the Concession Agreement.

**Consortium** means a tenderer comprising of two or more entities for the purpose of responding to a Tender Document, such that if the consortium includes a public sector entity or entities, such public sector entity or entities do not have a controlling stake in the consortium.

**Construction** means all works associated with the construction, reconstruction, demolition, repair or renovation of a building, structure or any other related works.

**Contingent Liability** means a liability accruing to a Procuring Entity through the Concession Agreement or Public Private Partnership (PPP) Project on the occurrence or non-occurrence of an uncertain future event.

**Detailed Project Report** means a detailed study of the Project made after the preliminary investment decision, in order to ascertain the capital cost, technological parameters, description of the technology to be used, technical specifications, plan schedule to assist the financial investment and the plan for implementation of the Project and such other information as may be prescribed in the regulations.

**Design - Build - Finance - Operate - Transfer (DBFOT) Model** means a contractual arrangement whereby the concessionaire is bestowed with the responsibility of designing, building, financing and operating the facility before transferring the Project to the Government after the expiry of the specified period. The concessionaire operates the facility over a fixed term during which they are allowed to charge the users appropriate tolls, fees,

rentals and charges as incorporated in the contract to enable the recovery of investment in the Project.

**Design - Build - Finance - Operate - Transfer (DBFOT) Model** means a contractual arrangement whereby the concessionaire is bestowed with the responsibility of designing, building, financing and operating the facility before transferring the Project to the Government after the expiry of the specified period. The concessionaire operates the facility over a fixed term during which they are allowed to charge the users appropriate tolls, fees, rentals and charges as incorporated in the contract to enable the recovery of investment in the Project.

**Domestic Enterprise** means any micro and small enterprise as defined in the Micro, Small and Medium Enterprises Development Act, 2006 (Central Act 27 of 2006), which manufactures or produces goods, provides or renders services within the State and filed Part II of the Entrepreneurs Memorandum in the District Industries Centres or filed Udyog Aadhaar portal.

**Due Date** means the date on which a tender submission is due in response to a Request for Expression of Interest (REOI) or a Request for Qualifications (RFQ) or a Request for Technical Proposals (RTP) or a Request for Proposals (RFP).

**Earnest Money Deposit (EMD)** means the amount required to be remitted by a tenderer along with his tender indicating his willingness to implement the contract.

**Executive Committee** means the Executive Committee of the Board.

**Expression of Interest (EOI)** means the submission made in response to a Request for Expression of Interest (REOI).

**Feasibility Study** means a preliminary study made for investment decision-making, to assess the technical, social, economic and financial viability and the social and environmental impact of a Project including the demand for the services, appropriate technology to be adopted, capital cost, time required for implementation, and such other information as prescribed in the regulations.

**Financial Model** means a forecast of the project's outlays and future cash flows including the capital expenditure, operation and maintenance expenses, debt service costs and tax payments and the revenues to be generated, which is developed based on specifically indicated assumptions to facilitate the estimation of financial parameters and to enable an informed investment decision.

**Final Offer** means the commercial offer made by a tenderer on the basis of the single criterion specified in the Request for Proposal (RFP).

**Fixed Rate Contract** means a contract where a set of rates and terms and conditions are fixed for the supply of unit quantities of goods or certain standardized services.

**Goods** means raw materials, products, equipment and other objects of every kind and description and includes electricity.

**Government** means the State Government.

**Government company** means any company in which not less than fifty one per cent of the paid-up share capital is held by the State Government or Governments and includes a company which is a subsidiary of a Government company as thus defined.

**Independent Auditor** means an auditor appointed under rule 45 of TNTIT (PPP), Rules, 2012.

**Independent Engineer** means an Engineer appointed under rule 46 of TNTIT (PPP), Rules, 2012.

**Infrastructure** means provision of assets or services in any one or more of the sectors specified in Schedule-I of TNID Act, 2012.

**Lead Member of Consortium** means a member of a consortium who has been designated as the lead member by the Consortium and shall possess such qualifications as may be prescribed in the tender documents.

**Lease Management Agreement** means a contractual arrangement whereby the Government leases a Project owned by it to the concessionaire which is permitted to operate and maintain the Project for the period specified in the contract. The concessionaire is allowed to charge the users appropriate fees, rentals and charges as specified in the agreement to enable the recovery of investment in the Project.

**Letter of Award (LOA)** means the Letter of Award issued by the Procuring Entity to the Lowest Tenderer in accordance with rule 56 of TNTIT (PPP), Rules, 2012.

**Local authority** means any municipal corporation or municipal council or panchayat union council or village panchayat constituted under the relevant law for the time being in force. Lowest Tender means the tender which, on evaluation, is found to be the most beneficial to the procuring entity in financially quantifiable terms.

**Lump-sum Contract** means a contract under which a tenderer is engaged to carry out a work or effect supply as specified within a given period and for a fixed total price and the tenderer is paid depending on the completion of work or supply to specification and adherence to the time schedule.

Provided that where appropriate, unit rates or prices for each of the various items comprising such work or supply may also be specified to facilitate interim payments depending on the actual quantities of work executed or supplies effected.

**Management Agreement** means a contractual arrangement whereby the Government entrusts the operation and management of a Project to the concessionaire for the period specified in the agreement on payment of specified consideration. In such agreement, the Government may charge the user levies and collect the same either by itself or entrust the collection for consideration to any concessionaire who shall after collecting the user levies, pay the same to the Government.

**Minimum Technical Requirements (MTR)** means the minimum technical requirements as described in rule 37 of TNTIT (PPP) Rules, 2012.



**Multi sector project** means a project that involves stakeholders from more than one sector as mentioned in Schedule-I of the TNID Act, 2012 and where responsibility for implementation may not be conveniently assigned to a single public agency dealing with anyone of the sectors, that the Board may specifically declare to be a Multi sector project.

**Multi-Stage Tender** means a tender in which there are at least two stages including an initial stage of short-listing based on the fulfilment of eligibility criteria based on experience and financial or technical parameters or both and a final stage in which only the qualified, short-listed tenderers are invited to submit their financial bids.

**Notice Inviting Tenders** means for the purposes of these rules, the Notice of Request for Qualification (RFQ) in all cases where rules 4, 5 and 6 apply and to the Notice of Request for Proposal (RFP) in cases where sub-rule (2) of rule 3 is invoked.

**Performance Security** means a financial guarantee in the appropriate form including a security deposit or bank guarantee or both furnished by the Concessionaire to the Procuring Entity for the performance of its obligations under the Concession Agreement.

**Piece-Work Contract** means a contract under which only unit rates or prices for various kinds of work or materials are agreed upon for a given period of time without reference to the total quantity of work to be done or the material to be supplied and the time period within which the work or supply is to be completed.

**Pre-qualification** means the process by which the tenderers are first screened for their capability and resources to implement the contract before they are permitted to offer their tenders.

**Private sector participant** means any person other than a public agency or the Central Government or a public sector undertaking of the Central Government.

**Procurement** means acquisition by any means including electronic mode of purchase of goods or services and also of construction.

**Procuring** entity means the entity specified in the Schedule to the TNTIT Act, 1998.

**Project** means an Infrastructure Project.

**Project Concept Note** means a note containing preliminary information about the proposed Project prepared in accordance with regulation 7 of TNID Regulations, 2013

**Project Value** means, (i) in case of Public Private Partnership (PPP) Projects where the private entity is expected to make capital investments, the value of the asset or facility to be constructed including the cost of land, if the cost of land is to be borne by the private entity; or (ii) in case of Public Private Partnership (PPP) Projects where the private entity is not expected to make substantial capital investments, the current replacement value of the asset or facility, whose operation and maintenance is proposed to be the responsibility of private entity.

**Public agency** means any department of the Government or any public sector undertaking of the Government, a Government Company, Statutory Board formed by the Government, Local authority, Co-operative Institution, State University, any Society or Trust formed, owned or controlled by the Government.

**Public financial** support means financial support from the Central Government or the State support or both.

**Public Private Partnership (PPP)** means an arrangement between a public agency and a private sector participant for the provision of infrastructure through investment made or through design, development, construction, maintenance or operation undertaken by the private sector participant, where risks are allocated between them such that the private sector participant takes on the risk beyond the stage of design and construction and the payment for the services are performance linked, in the form of user charges, annuities or unitary payments.

**Public-Private Partnership Project** means a Project implemented through public-private partnership.

**Public Sector Comparator** means the estimated hypothetical risk-adjusted life cycle cost of a project if it were to be financed, owned and implemented solely by the government or its agency.

**Public sector mode** means implementation of a Project directly by a public agency by its own resources or through the State Budgetary resources.

**Qualified Applicant** means an Applicant that has been qualified in the Request for Qualification (RFQ) stage.

**Rehabilitate-Operate-and-Transfer (ROT) Model** means a contractual arrangement whereby an existing facility is handed over to the concessionaire to invest, refurbish, operate and maintain for a period, at the expiry of which the facility is returned to the Government. The concessionaire operates the facility over a fixed term during which they are allowed to charge the users appropriate fees, rentals and charges as specified in the contract to enable the recovery of investment in the Project.

**Rehabilitate – Own – and - Operate (ROO) Model** means a contractual arrangement whereby an existing facility is handed over to the concessionaire to invest, refurbish, operate and maintain the development facility from which the concessionaire is allowed to recover the total investment by collecting user levies from facility users. The ownership of the land shall be vested with the Government. The transfer of the facility to the Government is not envisaged in this arrangement; however, the Government may terminate its obligations after a specified time period.

**Respondent** means any entity or consortium that has submitted or is likely to submit a Response to the Tender Documents.

**Response** means any submission required to be made to the Tender Inviting Authority as per the Tender Documents.

**Request for Expression of Interest (REOI)** means the Tender Document prepared and issued in accordance with Chapter-III of the TNTIT (PPP) Rules, 2012

**Request for Proposal (RFP)** means the Tender Document prepared and issued in accordance with Chapter-VI of the TNTIT (PPP) Rules, 2012.

**Request for Qualification (RFQ)** means the Tender Document prepared and issued in accordance with Chapter-IV of the TNTIT (PPP) Rules, 2012.

**Request for Technical Proposal (RTP)** means the Tender Document prepared and issued in accordance with Chapter-V of the TNTIT (PPP) Rules, 2012.

**Service** means any subject matter of procurement but does not include any goods or constructions or hiring of any person to represent the procuring entity or give advice on Legal matters in any judicial or quasi-judicial proceeding.

**Sponsoring Agency** means the public agency designated by the Board to implement a Project through public-private partnership.

**Start-up** means any commercial entity, incorporated as a private limited company under the Companies Act,2013 (Central Act 18 of 2013) or registered as a firm or as a limited liability partnership under the Indian Partnership Act,1932 (Central Act IX of 1932) or the Limited Liability Partnership Act,2008 (Central Act 6 of 2009), respectively, in this State and a period of seven years has not lapsed since the date of its incorporation or registration, as the case may be, and its turnover has not exceeded rupees twenty five crore in any financial year: Provided that in bio-technology, artificial intelligence or machine learning sectors a period of ten years has not lapsed:

Provided further that no such entity has been formed by splitting up or by reconstruction of an existing commercial entity.

**State support** means the support extended by the Government to a concessionaire, which may include the following:- subsidy or capital grant not exceeding such proportion of the cost of the Project, as may be prescribed in the rules; equity; loans; guarantee by the Government; opening and operation of escrow account; conferment of right to develop any land; incentive

in the form of exemption from the payment of, or deferred payment of, any tax or fees levied under any law or such other incentives, as may be prescribed in the rules.

**Supply and Installation Contract** means a contract under which the tenderer is required to supply, erect, test and commission the equipment at the place specified by the Procuring Entity.

**Tender** means the formal offer made by any means including electronic mode in pursuance of an invitation by the procuring entity.

**Tender Bulletin** means the bulletin published for each district or State, containing details of invitation and acceptance of tender.

**Tender Bulletin Officer** means any officer appointed by the Government to publish the district or State Tender Bulletin.

**Tender Document** means a set of papers including electronic document containing schedule of works, rates, requirement of goods or services, technical specifications, procedure and criteria as may be prescribed for evaluation and comparison of tenders and such other particulars as may be prescribed.

**Total Project Cost** means the lowest of the total project cost mentioned in the tender documents or actual capital cost of the project upon completion of the Project as certified by the Independent Engineer; or total project cost as set forth in the financing documents.

**Transaction Advisor** means an independent consultant who advises on the process of structuring of a project, its tendering and assists the public agency or sponsoring agency up to the stage of award of the tender or signing of the concession agreement as the case may be.

**Turn-key Contract** is a contract under which the tenderer is required to undertake within the framework specified by the Procuring Entity the entire responsibility for detailed investigation,



planning, design, construction and commissioning of the total project.

**Two-cover System** means a procedure under which the tenderers are required to simultaneously submit two separate sealed covers, one containing the Earnest Money Deposit and the details of their capability to undertake the tender which will be opened first and the second cover containing the 2[financial] quotation which will be opened only if the tenderer is found qualified to execute the tender.

**User levy** means user charge or fee or any other amount, by whatever name called, payable by the user of an infrastructure facility.

**Value for Money Assessment** means the quantitative and qualitative assessment of the costs and benefits associated with a project. Value for Money Assessment is used to establish whether implementing a project in the Public Private Partnership (PPP) mode is an economically optimal proposition for the Government or the public agency and it takes into account direct and indirect project execution costs, financing costs, transaction costs, cost of asset transfer on project completion, project monitoring costs and a cost estimation of the possible risks thereof.

**Variation** means changes which occur during the course of project development and delivery and shall be classified into the following forms: Day-to-day operational variations; Known-variations that are likely to arise and whose nature is known, but time of occurrence and impact are unknown.

**Viability Gap Funding** means a capital grant or subsidy or equity from the Central or State Governments to render a Public Private Partnership (PPP) project financially viable and bankable.



**TNIDB**  
INFRASTRUCTURE



Tamil Nadu Infrastructure Development Board,  
3rd Floor, CMDA Tower II, No.1, Gandhi Irwin Bridge  
Road, Egmore, Chennai – 600008  
Email: [soinfra.findpt@tn.gov.in](mailto:soinfra.findpt@tn.gov.in), [fininfracell@gmail.com](mailto:fininfracell@gmail.com)  
Phone: 044-28550155/255/355/455  
Website: [tnidb.tn.gov.in/en/](http://tnidb.tn.gov.in/en/)